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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the quarter ended.....February 29, 1992
Commission file number.....0-9347

ALANCO RESOURCES CORPORATION
(formerly known as Alanco Ltd.)
(Exact name of registrant as specified in its charter)

| Arizona | 86-0220694 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

14555 North Scottsdale Road, Suite 200, Scottsdale, Arizona 85260
(Address of principal executive office) (Zipcode)

(602) 991-8540
(Registrant's telephone number, including area code)

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

YES XX NO

As of February 29, 1992 there were 28,889,613 shares of common stock outstanding.

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ALANCO RESOURCES CORPORATION
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PART I

ALANCO RESOURCES CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

| | February 29, 1992 | May 31, 1991 |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Cash | $ 171 | $ 362 |
| Accounts receivable | 30,944 | 17,159 |
| Total Current Assets | 31,115 | 17,521 |
| Furniture and Equipment, net of depreciation | 39,060 | 50,314 |
| Other assets | 10,552,167 | 10,017,724 |
| | $ 10,622,342 | $ 10,085,559 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Current Liabilities | | |
| Notes payable, shareholders | $ 116,269 | $ 117,769 |
| Current maturities of notes and contracts payable | 171,231 | 169,474 |
| Accrued payroll taxes | 62,450 | 62,450 |
| Accounts payable | 304,578 | 251,615 |
| Billings in excess of cost | 130,434 | 130,434 |
| Accrued expenses | 135,160 | 156,658 |
| Accrued expenses - related parties | 463,547 | 305,021 |
| Advances from officers and directors | 380,749 | 204,509 |
| Cumulative dividend | 90,000 | 90,000 |
| Total Current Liabilities | 1,854,432 | 1,486,930 |
| Long-term liabilities | -- | 2,108 |
| Redeemable Preferred Stock, Class A | 750,000 | 750,000 |
| Common Stock | 23,011,191 | 22,161,145 |
| Common Stock subscriptions receivable | (823,696) | (823,696) |
| Accumulated deficit | (14,169,571) | (13,490,928) |
| Shareholders' equity | 8,017,924 | 7,846,521 |
| | $ 10,622,342 | $ 10,085,559 |

The consolidated balance sheet at May 31, 1991 has been taken from the audited financial statements and condensed.

See notes to condensed consolidated financial statements

ALANCO RESOURCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | THREE MONTHS ENDED | |
|---|---|---|
| | February 29, 1992 | February 28, 1991 |
| **REVENUES:** | $ 6,000 | $ -- |
| **OPERATING EXPENSES:** | | |
| Direct Service | 42,343 | 59,323 |
| General and administrative | 148,205 | 235,199 |
| **OTHER INCOME AND (EXPENSE):** | | |
| Interest income | 1 | 28 |
| Interest expense | (3,642) | (284) |
| Minority interest in net loss of consolidated subsidiary | 21,491 | 23,767 |
| Income from foregiveness of debt | | 2,809 |
| Gain on sale of property, plant and equipment | 20,155 | -- |
| **NET LOSS** | $ 146,543 | $ 268,202 |
| Loss per share of common stock: | $ (0.0057) | $ (0.0125) |
| Weighted average number of common shares outstanding | 25,295,176 | 21,449,635 |

See notes to condensed consolidated financial statements

ALANCO RESOURCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | NINE MONTHS ENDED | |
|---|---|---|
| | February 29, 1992 | February 28, 1991 |
| **REVENUES:** | $ 6,000 | $ 52,180 |
| **OPERATING EXPENSES:** | | |
| Direct Service | 119,576 | 149,890 |
| General and administrative | 649,107 | 617,291 |
| **OTHER INCOME AND (EXPENSE):** | | |
| Interest income | 30 | 94 |
| Interest expense | (7,142) | (393) |
| Minority interest in net loss of consolidated subsidiary | 70,997 | 81,790 |
| Income from foregiveness of debt | -- | 2,809 |
| Gain on sale of property, plant and equipment | 20,155 | -- |
| **LOSS BEFORE EXTRAORDINARY ITEM** | $ 678,643 | $ 630,701 |
| **EXTRAORDINARY ITEM:** | | |
| Loss on settlement of lawsuit | -- | 10,500 |
| **NET LOSS** | $ 678,643 | $ 641,201 |
| Loss per share of common stock: | | |
| Before extraordinary item | (0.0275) | (0.0294) |
| Extraordianry item | -- | (0.0005) |
| Loss per share of common stock: | $ (0.0275) | $ (0.0299) |
| Weighted average number of common shares outstanding | 24,658,284 | 21,519,787 |

See notes to condensed consolidated financial statements

ALANCO RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

| | Common Stock | | Subscription | Accumulated | |
|---|---|---|---|---|---|
| | Shares | Amount | Receivable | Deficit | Total |
| Balances, May 31, 1989 | 21,388,740 | 21,964,496 | (1,100,000) | (12,355,576) | 8,528,920 |
| Issued on settlement of lawsuit | 52,500 | 10,500 | | | 10,500 |
| Issued for purchase of mineral property interest | 84,617 | 33,847 | | | 33,847 |
| Issued for cancellation of outstanding warrant | 300,000 | 84,000 | | | 84,000 |
| Collection of subscrip-ions receivable | | | 268,015 | | 268,015 |
| Net Loss | | | | (641,201) | (641,201) |
| Balances, February 28, 1991 | 21,825,857 | 22,092,842 | (831,985) | (12,976,777) | 8,284,081 |

| | Common Stock | | Subscription | Accumulated | |
|---|---|---|---|---|---|
| | Shares | Amount | Receivable | Deficit | Total |
| Balances, May 31, 1991 | 23,433,450 | 22,161,145 | (823,696) | (13,490,928) | 7,846,521 |
| Issued for Cash | 981,636 | 145,142 | | | 145,142 |
| Issued for Services and property | 61,000 | 12,200 | | | 12,200 |
| Issued for Services | 413,527 | 67,704 | | | 67,704 |
| Issued for Investment | 4,000,000 | 625,000 | | | 625,000 |
| Net Loss | | | | (678,643) | (678,643) |
| Balances, February 28, 1992 | 28,889,613 | 23,011,191 | (823,696) | (14,169,571) | 8,017,924 |

**ALANCO RESOURCES CORPORATION AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | NINE MONTHS ENDED | |
|---|---|---|
| | February 29, 1992 | February 28, 1991 |
| **OPERATING ACTIVITIES:** | | |
| Net loss | $ (678,643) | $ (641,201) |
| Charges to earnings not requiring cash: | | |
| Depreciation and amortization | 62,518 | 149,244 |
| Minority interest in net loss of consolidated subsidiary | (70,997) | (81,790) |
| Loss on settlement of lawsuit | -- | 10,500 |
| Income from foregiveness of debt | -- | (2,809) |
| Stock issued for services and property | 79,905 | 33,847 |
| Stock issued on cancellation of outstanding warrant | -- | 84,000 |
| Stock issued for investment | 625,000 | -- |
| Gain on sale of assets | (20,155) | |
| (Increase) in current assets: | | |
| Accounts receivable | (13,785) | -- |
| Increase (Decrease) in current Liabilities: | | |
| Accounts payable, accrued expenses and other current liabilities | 448,226 | 123,340 |
| Net cash (used in) operating activities | (432,069) | (328,815) |
| **INVESTMENT ACTIVITIES:** | | |
| (Additions) Deletions to property, plant and equipment | 47,598 | (1,154) |
| Investment in unconsolidated subsidiary | (625,000) | (4,203) |
| Net cash (used in) investing activities | (577,402) | (5,357) |
| **FINANCING ACTIVITIES:** | | |
| Net Increase (Decrease) in borrowing | (851) | 54,900 |
| Stock subscriptions collected | -- | 268,015 |
| Proceeds from sale of stock | 145,142 | -- |
| Net cash provided by financing activities | $ 144,291 | $ 322,915 |
| **(DECREASE) INCREASE IN CASH** | $ (191) | $ (11,257) |
| **CASH AT BEGINNING OF PERIOD** | $ 362 | $ 11,614 |
| **CASH AT END OF PERIOD** | $ 171 | $ 357 |

See notes to condensed consolidated financial statements

**ALANCO RESOURCES CORPORATION AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. - CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:**

The condensed consolidated balance sheet as of February 29, 1992, the consolidated statements of operations for the three and nine month periods ended February 29, 1992 and February 28, 1991, the consolidated statements of shareholders' equity and the consolidated statements of cash flows for the nine months ended February 29, 1992 and February 28, 1991 have been prepared by the Company, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, changes in shareholders' equity and statements of cash flows at February 29, 1992 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's May 31, 1991 Annual Report on Form 10-K. The results of operations for the period ending February 29, 1992 are not necessarily indicative of the operating results for the full year.

**NOTE 2. - SHAREHOLDERS' EQUITY**

All references herein with regard to shares outstanding, weighted average number of common shares and earnings (loss) per share have not included the convertible preferred stock as its inclusion would be antidilutive. The weighted average number of shares and the earnings (loss) per share data can be found on page 4 and 5 - condensed consolidated statement of operations for the respective period presented.

**NOTE 3. - INVESTMENT ACTIVITY**

During the Company's third quarter, management approved the purchase of 500,000 shares of Princeton Electronics, Inc. common stock in exchange for shares of the Company's common stock. This transaction has been valued at $625,000.00.

Subsequent to the Company's third quarter just ended, the Company received $150,000 in cash as part of a private placement to raise a total of up to $600,000 in working capital.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Financial Condition**

The Company continues to experience a shortage in working capital. Management has pursued several different avenues of acquiring additional working capital, including, among other things, negotiations with several different venture capital firms, sale of the Company's Tombstone Metallurgical Facility and joint venture partners interested in either investing in or marketing the Company's subsidiaries pollution control device. The Company does have commitments from International Minerals & Metals, Inc. and Inter Alia Holding Company, who have executed investment agreements with the Company, to invest up to $960,000 in the Company in exchange for common stock. These funds will be used to supply working capital to the Company. The Company has received a total of $136,304 under these agreements.

The Company continues to expend its time and resources on developing its subsidiary's pollution control device. Currently, the Company is in the process of a technology transfer program with Daewoo Group of Korea, negotiating a similar license with Ford, Bacon & Davis Technologies in the United States and has two similar contacts in the United Kingdom. The Company believes that all of these potential sources of revenue should be realized in this current fiscal year.

**Results of Operations**

The Company had $6,000 revenue during the period ending February 29, 1992 a decrease of 88.50% over the same period last year. This revenue was received from a short-term lease of the Company's Tombstone Facility for lab testing purposes. General and Administrative expenses increased by $31,816 (5.15%) over the same period last year. Direct service expenses decreased by $30,314 (20.22%) over the same period last year as a result of the Company's cessation of mining activities.

The Company's net loss increased by $37,442 (5.84%) over the same period last year. This increase in loss can be accounted for by the increase in marketing activity of the Company's subsidiary's pollution control device, little income generated during the first nine months reported herein and an absorption of all of the loss in the majority-controlled pollution control subsidiary. The absorption of the loss is directly attributable to loss exceeding the minority interest holders equity position.

**Item 6. EXHIBITS AND REPORTS ON FORM 8-K**

(a) Exhibits - none
(b) Reports on Form 8-K - There were no reports on Form 8-K filed for the three months ended February 29, 1992

**Signature**

Pursuant to the requirements of the securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ALANCO RESOURCES CORPORATION**
(Registrant)

Kevin L. Jones
President and CEO

Date: MAR 30 1992